

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

|   |   |                      |
|---|---|----------------------|
| In the Matter of                              | ) |                      |
|   | ) |                      |
| Promoting Telehealth for Low-Income Consumers | ) | WC Docket No. 18-213 |
|   | ) |                      |

**REPLY COMMENTS OF TRACFONE WIRELESS, INC.**

**I. INTRODUCTION & BACKGROUND**

TracFone Wireless, Inc. (“TracFone”) hereby submits reply comments on the Federal Communications Commission’s (“FCC” or “Commission”) *Notice of Inquiry* (“NOI”) in the above-captioned proceeding proposing to create an experimental “Connected Care Pilot Program” (“Pilot Program”) focusing on the delivery of telehealth services to low-income Americans.<sup>1</sup> TracFone appreciates the Commission’s commitment to addressing healthcare challenges facing low-income Americans and supports expanding access to innovative healthcare solutions to improve overall health outcomes and affordability.

However, the Commission’s proposal would require broadband service providers participating in the Pilot Program to be facilities-based eligible telecommunications carriers (“ETCs”).<sup>2</sup> As numerous commenters have already made resoundingly clear, this approach should be rejected. It limits options for patients, restricts the Commission’s ability to review creative proposals, significantly decreases delivery methods and competition in the marketplace for innovative telehealth solutions, and undermines the overall goals of improved health outcomes and greater connectivity. Similar efforts to

---

<sup>1</sup> *Promoting Telehealth for Low-Income Consumers*, WC Docket No. 18-213, Notice of Inquiry, FCC 18-112 (rel. Aug. 3, 2018) (“*NOI*”).

<sup>2</sup> *Id.* at ¶¶ 37-38.

exclude non-facilities-based providers from the federal Lifeline Program have already been met with near-universal opposition from stakeholders.<sup>3</sup> Among those commenting against the proposal were right-leaning think tanks, such as the Free State Foundation, Citizens Against Government Waste, and Daniel Lyons of the American Enterprise Institute, who were all concerned about what the reseller exclusion would represent: an unprecedented anti-competitive regulatory intrusion into an otherwise healthy and vibrant marketplace. Their warnings against government intervention to artificially limit the number of competitors absent any signs of market failure are equally prescient for the Connected Care Pilot Program.<sup>4</sup>

The Commission states clearly that its “top priority is to increase digital opportunity for all Americans, and nowhere is this imperative more critical than in the area of health care.”<sup>5</sup> TracFone supports this goal fully and—along with many other commenters—notes that the potential exclusion of non-facilities-based ETCs from the Pilot Program directly contradicts this mission. The Commission emphasizes that the overarching goal of the Connected Care Pilot Program is to enhance the delivery of telehealth services to patients beyond brick-and-mortar medical facilities.<sup>6</sup> Therefore, the Connected Care Pilot Program, and its successor initiatives, should not be tied to brick-and-mortar broadband facilities.

---

<sup>3</sup> *Bridging the Digital Divide for Low-Income Consumers*, Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking, and Notice of Inquiry, FCC 17-155, 2017 WL 6015800 (Dec. 1, 2017). *See, e.g.*, Comments of the National Association of State Utility Consumer Advocates (“NASUCA”), WC Docket No. 17-287, (filed Feb. 21, 2018); Comments of Verizon, WC Docket No. 17-287 (filed Feb. 21, 2018); Comments of CTIA, WC Docket No. 17-287, (filed Feb. 21, 2018); Comments of the National Association of Regulatory Utility Commissioners (“NARUC”), WC Docket No. 17-287, (filed Feb. 21, 2018); Comments of the United States Telecom Association (“USTelecom”), WC Docket No. 17-287, (filed Feb. 21, 2018), Comments of the Free State Foundation, WC Docket No. 17-287 (filed Feb. 21, 2018), Comments of Citizens Against Government Waste, WC Docket No. 17-287 (filed Feb. 21, 2018), and comments of Daniel Lyons, Visiting Fellow, American Enterprise Institute, WC Docket No. 17-287 (filed Feb. 21, 2018).

<sup>4</sup> *See, e.g.*, Daniel Lyons, American Enterprise Institute, *Lifeline’s proposed reseller ban will likely harm low-income households* (Mar. 5, 2018) available at: <http://www.aei.org/publication/lifelines-proposed-reseller-ban-will-likely-harm-low-income-households/>.

<sup>5</sup> *Id.* at ¶ 1.

<sup>6</sup> *Id.* at ¶ 2.

Indeed, the Commission has successfully leveraged the expertise and networks of non-facilities-based ETCs in other pilot programs, some of which are critical to healthcare initiatives. In 2006 and again in 2012, the Commission promoted increased connectivity and improved healthcare services through its Rural Health Care initiatives and Lifeline reforms.<sup>7</sup> These and related FCC initiatives have benefited from the networks and services of both facility- and non-facilities-based service providers. This NOI should continue with this approach as well. Non-facilities-based providers, like TracFone, have deep expertise serving lower-income communities and providing broadband solutions essential to greater health outcomes. The Connected Care Pilot Program will benefit from this expertise.

## **II. THE CONNECTED CARE PILOT PROGRAM SHOULD ALSO INCLUDE NON-FACILITIES-BASED ETCs AND PRIORITIZE ADOPTION OVER INFRASTRUCTURE**

### **A. The record supports expanding the Pilot Program beyond facilities-based ETCs.**

The Commission aims to serve low-income households and low-income veterans through the Pilot Program.<sup>8</sup> Yet strangely, the NOI proposes to exclude certain providers, like wireless resellers that possess significant experience serving that same customer base, from participating in the Pilot Program. Wireless resellers, such as TracFone, have a documented history of using “‘direct to consumer’ broadband-enabled telehealth services and applications”<sup>9</sup> to address the healthcare needs and challenges of low-income consumers and veterans.

Narrowing eligible participants by excluding non-facilities-based providers such as wireless resellers will negatively impact the Pilot Program by artificially limiting the number of proposals considered by the Commission, thus undermining the level of competition and the

---

<sup>7</sup> See FCC, *Rural Health Care Support Mechanism*, Order, 21 FCC Rcd 11111 (2006); and FCC, *Lifeline and Link Up Reform and Modernization et al.*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656 (2012).

<sup>8</sup> See, e.g., NOI at ¶¶ 2, 10, and 13.

<sup>9</sup> Comments of CTIA, WC Docket No. 18-213, *et. al.*, at 12-13 (filed Sep. 10, 2018).

quality of projects selected. Such exclusion also potentially limits the diversity of the Pilot Program, as it will likely tilt the funding towards infrastructure deployment projects favored by facilities-based providers.<sup>10</sup>

TracFone generally supports the many commenters who underscore that eligibility should be more, and not less, inclusive and permit participation by non-facilities-based ETCs.<sup>11</sup> Expanding eligibility benefits the Commission by offering increased efficiencies, additional proposals to review, and more diverse results to assess at the end of the Pilot Program.<sup>12</sup> But, most importantly, it will benefit end-users by increasing market options for patients seeking to avail themselves of life-changing telehealth services.

**B. Pilot Program eligibility should not restrict the type of existing infrastructure used, but instead encourage adoption of telehealth services and mobile technologies.**

The Commission notes that the Connected Care Pilot Program will be limited in scope and resources.<sup>13</sup> It further emphasizes that a crucial function of the Pilot Program is to increase

---

<sup>10</sup> See, e.g., Comments of Gila River Telecommunications, Inc., WC Docket No. 18-213, *et. al.*, at 15 (filed Sep. 10, 2018) (“GRTI believes that a pilot s that provides multiple years of funding will allow providers like GRTI to assist HCPs in deploying [ ] infrastructure...”).

<sup>11</sup> See, e.g., Comments of AT&T, WC Docket No. 18-213, *et. al.*, at 11 (filed Sep. 10, 2018) (“AT&T recommends the Commission model this pilot program after the E-rate program, with funding paid directly to the HCP, and telehealth connectivity provided by both eligible telecommunications carriers (ETCs) and non-ETCs (as well as non-facilities-based providers.)”; Comments of CTIA, WC Docket No. 18-213, *et. al.*, at 13-14 (filed Sep. 10, 2018) (The FCC “should identify a unique role for the Pilot Program given existing federal funding programs, and should ensure non-facilities-based providers can participate in the program.”); Comments of National Grange of the Order of Patrons of Husbandry, WC Docket No. 18-213, *et. al.*, at 2 (filed Sep. 10, 2018) (“We strongly believe non-facilities based carriers such as wireless resellers should be given the opportunity to participate in the Pilot Program.”); Comments of National Lifeline Association, WC Docket No. 18-213, *et. al.*, at 1 (filed Sep. 10, 2018) (“limiting the program to facilities-based providers would undermine the NOI’s stated fundamental goal for the program, and as such, the Commission should allow resellers to participate in it as well.”); and Comments of Sage Telecom WC Docket No. 18-213, *et. al.*, at 4 (filed Sep. 10, 2018) (“The pilot eligibility requirements should not restrict the type of existing infrastructure used. For example, it should not be limited to facilities-based ETCs if the focus is on low-income individual patients. Primarily non-facilities based ETCs have served these low-income populations.”)

<sup>12</sup> Comments of Sage Telecom WC Docket No. 18-213, *et. al.*, at 4 (filed Sep. 10, 2018) (“The Pilot Program should include as many types of modalities as practical and deemed efficient with limited time and pilot funding, especially if funds are distributed amongst multiple participants. We recommend a narrower focus that includes an array of participants from different groups such as facilities and non-facilities based ETCs to increase the number of proposals, to maximize use of funds and to produce multiple outcomes for analysis.”).

<sup>13</sup> NOI at ¶ 13.

adoption of broadband among low-income households.<sup>14</sup> The Commission, therefore, should not restrict eligibility by the ownership of network facilities, but instead encourage the adoption of telehealth services and technologies. TracFone agrees with the commenter that noted “making sure consumers can use the service available is more important than expanding the networks at their expense for the purpose of this short duration Program.”<sup>15</sup> Indeed, because of the funding limitations inherent to the proposed Connected Care Pilot Program, it is unclear how any infrastructure project funded by the Program—projects that presumably serve areas that lack the economic case for private-sector broadband infrastructure investment absent public sector support—will be able to be self-sustaining following the cessation of the Pilot Program. TracFone therefore cautions the Commission to be mindful of the unintended consequences of utilizing one-time federal funding sources to support infrastructure projects that require ongoing maintenance and upkeep with high annual expenses. Should the Commission decide to dedicate the Pilot Program’s funding towards infrastructure support rather than adoption, it must be ready to address the potential consequences of creating a new crop of Commission-dependent service providers that, similar to High Cost Fund recipients, will rely on federal Universal Service Fund dollars to remain sustainable or else risk losing the critical telehealth services that healthcare facilities and patients have come to rely upon and expect due to the Pilot Program.<sup>16</sup>

The Commission also seeks comment on providing Pilot Program support for end-user devices.<sup>17</sup> As Commissioner Carr made clear—mobile devices and related technologies are

---

<sup>14</sup> *NOI* at ¶ 26 (“Adoption rates remain lower among low-income, rural, and Tribal populations, however, compared to other segments of the population. We therefore seek comment on whether another goal of our pilot program should be increasing adoption of broadband in low-income households by making broadband service more affordable.”).

<sup>15</sup> Comments of Hughes Network Systems, WC Docket No. 18-213, *et. al.*, at 18-19 (filed Sep. 10, 2018).

<sup>16</sup> It was precisely out of this concern for sustainability that the Broadband Technology Opportunities Program (BTOP) created through the American Recovery and Reinvestment Act ended up funding only middle-mile infrastructure projects instead of any last-mile projects.

<sup>17</sup> *NOI* at ¶ 47.

essential to the success of telehealth services. Therefore, they should be supported by the Pilot Program. The Commissioner recognized that “[r]emote technologies—whether enabled by a smartphone, tablet, or other device—are bringing high-quality, affordable care to communities across the country.”<sup>18</sup> The FCC should thus utilize the funding to explore ways to leverage off-the-shelf equipment and devices to enable access to innovative apps or other software programs that can truly help bridge the telehealth digital divide across the country, going beyond the limitations of traditional brick-and-mortar facilities. Finally, TracFone agrees with the commenter that noted the need to “increase mobile wireless bandwidth needed to support telemedicine solutions in a mobile environment.”<sup>19</sup> To the extent the Commission desires to fund infrastructure-related projects, network densification that increases broadband speed and capacity while lowering latency, especially in and around anchor institutions such as hospitals, may present funding needs that the Pilot Program is more poised to address than extending our nation’s broadband footprint into previously unserved areas.

### **III. TRACFONE HAS DEEP EXPERIENCE ENHANCING HEALTHCARE OPTIONS FOR LOWER-INCOME INDIVIDUALS AND IS WELL-SUITED TO PARTICIPATE IN THE PILOT PROGRAM**

TracFone is uniquely qualified to participate in the Connected Care Pilot Program because of its deep experience and expertise helping to deliver critical, life-saving broadband connectivity to end-users and improving overall health outcomes, while at the same time realizing medical cost savings. The Commission seeks input on how the Pilot Program can enhance existing telehealth initiatives and build on work done by prior and ongoing initiatives, including the Connect2Health Task Force.<sup>20</sup> TracFone has collaborated with and provided

---

<sup>18</sup> *NOI* (Statement of Commissioner Brendan Carr).

<sup>19</sup> Comments of Survivor Healthcare (John Librett), WC Docket No. 18-213, *et. al.*, at 4 (filed Sep. 10, 2018).

<sup>20</sup> *NOI* at ¶ 23.

updates to the FCC's Connect2Health Task Force for years. The Connected Care Pilot Program should leverage the resources and expertise accumulated by the Task Force, and informed by TracFone and others, in making decisions, including those related to funding.

Through its SafeLink project, TracFone partners with more than 25 managed care organizations (MCOs) in 37 states to offer phones and mobile broadband services, free calls to MCOs, free text message for appointment reminders, as well as other mobile health solutions to consumers eligible for Medicaid. A recent study found that by having SafeLink health phones, Medicaid recipients were more likely to adhere to medications, less likely to drop from their health plan, and more likely to go to physician's office visits and participate in preventative screenings. SafeLink users with chronic diseases experienced even more improved outcomes, including reduced Per Member Per Month costs, and the longer they had their SafeLink phone, the better the outcome.<sup>21</sup>

Another major TracFone healthcare initiative to benefit unserved and underserved populations is a pilot program launched collaboratively by TracFone, Microsoft, and Health Choice Network. The program is designed to provide patients suffering from diabetes with the tools they need to better manage their care. Participants in the pilot program receive a Windows smartphone with TracFone wireless service and a variety of useful applications. Participating patients not only have access to Microsoft's built-in suite of healthcare solutions, which includes features, such as access to security-enhanced, HIPAA-enabled messaging and health records, they also receive other specialized health-related applications. These applications supplement condition management by, for example, providing treatment plan information or facilitating self-tracking of vital health information such as blood sugar levels.<sup>22</sup>

---

<sup>21</sup> See Comments of CTIA, WC Docket No. 18-213, *et. al.*, at 6 (filed Sep. 10, 2018).

<sup>22</sup> See *Microsoft and TracFone collaborate to offer innovative mobile health managements*

TracFone's experience with the Lifeline program, administering services to Medicaid patients should be further leveraged. The Lifeline market currently serves nearly 10 million low-income households through a plethora of competitive offerings first brought about by resellers. TracFone has a wealth of experience enhancing and improving individuals' access to quality healthcare through private-public partnerships that also drive down medical costs. These unique experiences and innovative solutions should be further capitalized by allowing TracFone and other wireless resellers to participate in the Pilot Program.

#### **IV. THE FCC SHOULD REJECT COMMENTS SEEKING TO LIMIT THE PILOT PROGRAM TO ONLY FACILITIES-BASED PROVIDERS AND THOSE PROPOSING THE USE OF VOUCHERS TO PURCHASE BROADBAND SERVICES FROM PROVIDERS**

A few commenters argue that the Commission should limit the Pilot Program to only facilities-based providers.<sup>23</sup> Another commenter recommended the use of electronic vouchers to purchase broadband services directly from their choice of providers and the requirement that a healthcare applicant must first select an existing local facilities-based provider.<sup>24</sup> These arguments are flawed in several ways and run counter to the goals of this Pilot Program.

*First*, such an approach limits what is offered to patients. As noted above, TracFone and similarly situated resellers, have experience delivering life-altering telehealth services to individuals. SafeLink, for example, has enhanced medical outcomes for Medicaid participants

---

(Continued...)

*solution to the healthcare market*, Microsoft News Center (Aug. 21, 2014) available at:

<https://news.microsoft.com/2014/08/21/microsoft-and-tracfone-collaborate-to-offer-innovative-mobile-health-management-solution-to-the-healthcare-market/>; and Dan Munro, *What's the ROI Of A Smartphone Given To Patients With A Chronic Health Condition?*, forbes.com (Aug. 21, 2014) available at: <https://www.forbes.com/forbes/welcome/?toURL=https://www.forbes.com/sites/danmunro/2014/08/21/whats-the-roi-of-a-smartphone-given-to-patients-with-a-chronic-health-condition/&refURL=https://www.google.com/&referrer=https://www.google.com/>.

<sup>23</sup> See, e.g., Comments of Gila River Telecommunications, Inc., WC Docket No. 18-213, *et. al.*, at 11 (filed Sep. 10, 2018).

<sup>24</sup> Comments of American Cable Association., WC Docket No. 18-213, *et. al.*, at 3 (filed Sep. 10, 2018).



and medical costs are driven down through the Lifeline Program. Further, the individuals which the FCC seeks to help through this Pilot Program should have greater, not fewer, choices. Encouraging competition will further drive innovation and advancement in the telehealth marketplace. This is especially true at such an early stage of development for telehealth services.

***Second***, beyond the individuals served, the Commission will also benefit. It should encourage rather than discourage provider participation across the board. Failure to do so means the Connected Care Pilot Program will not benefit from a diverse set of proposals and the creative, innovative solutions which resellers, like TracFone, have displayed. Both the Commission and, more critically, low-income patients will benefit from this wealth of experience and its proven results.

***Third***, at this early stage, with limited resources and participation, the Commission must prioritize adoption over infrastructure development. To capitalize on innovative and essential telehealth services, end-users, medical providers, and other stakeholders must first adopt and avail themselves of the benefits of these technologies. As discussed above, an emphasis on infrastructure projects could increase the fiscal burden the Pilot Program will ultimately place on the Universal Service Fund. The Commission should support end-user devices and related technologies and put a primacy on expanding adoption.

***Fourth***, portable benefits such as vouchers could greatly increase the administrative complexity, and therefore expense, of administering the Pilot Program. A system must be created from scratch to prevent waste, fraud, and abuse associated with the use of vouchers, including a monitor system to track eligibility, avoid duplicative use, and fraudulent transfer of the voucher's value to those who may not be eligible for the subsidies. For consumers, the benefit of shopping around services from a provider of their choice could be outweighed by the

burden of having to use their voucher on a regular basis, rather than enrolling once and remaining enrolled until such a time when they withdraw or are de-enrolled from the Program.

## **V. CONCLUSION**

TracFone agrees with the many commenters urging the Commission to ensure non-facilities-based ETCs can participate in the Connected Care Pilot Program. Further, the Pilot Program's limited resources should be used to increase adoption of telehealth services and devices and not for furthering infrastructure development.

Respectfully Submitted,

**TRACFONE WIRELESS, INC.**

/s/ Shawn H. Chang

Shawn H. Chang  
Michael L. Diakiwski  
WILEY REIN LLP  
1776 K Street, NW  
Washington, DC 20006  
Phone: (202) 719-7010  
*Counsel to TracFone Wireless, Inc.*

Elizabeth Simonhoff Perez  
Senior Manager, Healthcare  
Mark Rubin  
Senior Executive for Government Affairs

TracFone Wireless, Inc.  
9700 NW 112th Avenue  
Miami, FL 33178

October 10, 2018